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WORLD COTTON PROSPECTS

Summary

The export movement of domestic cotton during April was the highest for that month since 1927 and was about 39 per cent larger than in April 1931 despite the fact that Oriental takings fell below a year earlier, according to the Bureau of Agricultural Economics. The domestic textile situation as measured by the rate of production, sales, unfilled orders and the stocks of goods on hand has been in a much better position most of this season than a year earlier, but during the past two months sales have been at such a low level and stocks have accumulated to such an extent that many mills have made sharp reductions in activity. As a result total cotton consumption in United States mills in April decreased about 121,000 bales or 25 per cent compared with March and was 142,000 bales or 28 per cent less than in April 1931.

The textile situation in Great Britain while not as favorable as a short time ago is still in a better position than a year ago. On the Continent conditions as a whole have not greatly changed during the past month, some countries reporting some seasonal improvement and others indicating slight declines. In general the rate of cotton consumption on the Continent is perhaps about equal to or slightly below a year ago, but at the present time larger amounts of American cotton are apparently being consumed. In the Orient mill activity is considerably above a month ago due to the increased activity in China where operations are again being resumed in Shanghai following the almost complete shut-down during the military disturbances a short time ago. Mill activity in Japan in March was at about the highest levels for two years and exports of cloth increased approximately 37 per cent during the month, to the highest levels for two years.

The final estimate places the 1931 American crop at 17,096,000 bales of 478 pounds net or 500 pounds gross which is 35,000 bales larger than the preliminary girnings estimate released in March by the Bureau of the Census. This compares with a crop in 1930 of 13,932,000 bales and is the second largest crop ever produced. The yield per acre on the basis of the revised acreage was 201.2 pounds, the revised harvested acreage being 40,693,000 which was 9.8 per cent less than the previous year and was the smallest acreage since 1927. The high yields in 1931-32 were perhaps more largely due to favorable moisture conditions than to any other causes. The estimated reduction from full yield due to deficient moisture was placed at only 8.3 per cent, compared with 27.7 per cent in 1930 and 10.8 per cent in 1929 and damage from excessive moisture was only 2.6 per cent the smallest since 1925-26. Boll weevil damage in 1931 was somewhat greater than the previous year, amounting to 8.3 per cent compared with 5.0 per cent in 1930 but was offset by decreases in other causes to such an extent that the total reduction in yields from all causes is reported to have been only 27.8 per cent of a full yield compared with 47.1 per cent in 1930 and 43.8 per cent in 1929.

The estimated world production in 1931-32 has been revised to 27,500,000 bales of 478 pounds which is an increase of 1,700,000 bales over the revised estimate of the previous crop and is second only to the record production of 1926-27 of 28,400,000 bales. The estimated total production in foreign countries amounts to 10,404,000 bales or a decrease of 1,464,000 bales from 1930-31 and is the smallest foreign production since 1926-27.

Prices

Spots

In domestic markets prices of spot cotton showed little net change during most of April but on the last two days of the month declined about ½ cent per pound. During the first half of May there was some recovery and then another decline which took the average of the 10 designated markets to 5.33 cents on May 14 which was the lowest average recorded in these markets since last October. By May 23 the average had advanced to 5.57 cents per pound.

Prices in other domestic markets moved about in line with the 10 markets as did the prices of American cotton in Liverpool.

The prices of Indian cotton at Liverpool continue to show greater weakness than prices of American as has been the tendency since January. Whereas three important types of Indian cotton at Liverpool during January averaged only 1.1 per cent less than the average of American Middling and Low Middling, in April they were 10.7 per cent less and during the first three weeks of May averaged 12.1 per cent less than American. Although more than 10 per cent cheaper, relatively, than in January, Indian is still higher priced in comparison with American than during any previous season since 1926-27. The greater weakness of Indian prices during recent months is apparently due in part to the strength of the American spot market relative to the futures market as a result of the large amount of spot cotton being held off the market. Perhaps of more importance, however, is the shift to American cotton which has affected the distribution of Indian cotton to such an extent that stocks at Bombay are larger than might be expected in view of the small crop and high rate of mill consumption in India.

Stocks and Movement

Apparent supply of American cotton in United States

With the final estimate of the 1931 domestic crop placed at 17,096,000 bales and the carry-over at the beginning of the season about 6,262,000 bales, the total supply of American cotton for domestic consumption and export was around 23,358,000 bales. During the first nine months of the season domestic consumption of American cotton amounted to 3,842,000 bales and exports 7,397,000 bales. The total disappearance therefore was 11,239,000 bales, leaving 12,119,000 bales as the apparent supply remaining in the United States on May 1. During the same period last season disappearance amounted to only 9,666,000 bales but due to the smaller crop and carry-over the apparent supply in the United States on May 1, 1931 amounted to 8,584,000 bales and at the end of April 1930 totaled about 6,222,000 bales.

Stocks in consuming establishments and public storage

Of the 12,119,000 bales of American cotton apparently in the United States on May 1, 1932, 1,482,000 bales were in consuming establishments and 8,146,000 bales were in public storage, leaving something like 2,491,000 bales "elsewhere", the greatest portion of which was doubtlessly held by producers on farms and plantations. On May 1, 1931 mill stocks of American cotton were about 192,000 bales less than this year, stocks in public storage were 2,154,000 bales less and the apparent stocks "elsewhere" were about 1,189,000 bales less than this year.

Stocks of foreign cotton in consuming establishments declined from 81,000 bales on April 30, 1931 to 50,000 bales at the same date this year, while foreign cotton in public storage has decreased from 41,000 equivalent 500 pound bales to 18,000 bales during the same twelve months period.

Exports of American cotton

For some months the rate of export of domestic cotton was the highest since the 1914-15 season, with the exception of the 1926-27 season, due largely to the record takings of the Orient. During April, however, the

movement to the Orient dropped materially, Japan taking a smaller amount than in April 1931, and as a result total exports dropped but were the largest for the month since 1921-22, excepting April 1927.

During the first nine months of this season total exports from the United States amounted to 7,397,000 running bales, according to the Bureau of the Census, which is 1,487,000 bales or 25 per cent more than during the same period in 1930-31 and larger than for any corresponding period since 1926-27.

France and Germany are the only two important consumers of American cotton who have not taken more American cotton this season than during the first nine months last season. Although most foreign countries have consumed larger amounts of our cotton this season than during the same period last season, the increased consumption has not kept pace with the increase in exports. Some countries have replenished stocks and others accumulated supplies for several months to come. It is generally known that the record supplies of American cotton in conjunction with the reduced crops in India, China, Egypt, and many of the smaller producing countries have been the important factors contributing to the increased exports of American cotton this season. Additional factors were the high rate of mill consumption in the Orient and the departure of Japan from the gold standard.

Exports of Indian cotton

From August 1 to May 14 this season total exports of cotton from India amounted to only 1,190,000 running bales compared with 2,781,000 bales during the corresponding period last season, according to the Commercial and Financial Chronicle. This is the smallest export movement from India during a like period for more than a decade. During March, April, and the first part of May India's exports were the lowest for that season of the year for about two decades. In addition to the relatively short supply of Indian cotton and the record supply of American, another factor contributing to the comparatively high prices and small exports of Indian cotton is the high rate of activity among the mills in India which use Indian cotton almost entirely. So far this season consumption in these mills has been at, or very near, record levels.

Exports of Egyptian

Exports from Alexandria, Egypt for the season to May 11 totaled 850,000 running bales or about 144,000 bales more than during the same period last season, according to the Chronicle. While the 1931-32 Egyptian crop was about 429,000 equivalent bales of 478 pounds or 25 per cent smaller than the previous crop the larger carry-over at the beginning of the season and the fact that the Egyptian Government has been disposing of the stocks it had accumulated, even to the extent of granting liberal credit to foreign consumers, largely explains why exports from Egypt have been larger than during last season.

Visible supply of foreign cotton

On May 13 the visible supply of foreign cotton, as reported by the Commercial and Financial Chronicle, amounted to 1,984,000 running bales. This is 551,000 bales smaller than a year earlier and 680,000 bales smaller than on the corresponding date in 1930. The smaller visible supply is mostly the result of the small Indian crop.

Textile Situation

United States

The domestic cotton textile industry which for many months this season showed material improvement over a year earlier has recently found it necessary to curtail production due to the low sales. During March sales of cotton cloth dropped to the lowest levels for almost two years and in terms of the rate of production were the lowest for the four years for which comparable records are available. The report for April was equally as unfavorable. Unfilled orders dropped 21.5 per cent during the month and stocks increased considerably, and are now slightly larger than a year ago. During the two months March and April, sales in this section of the domestic industry dropped about 58 per cent according to the data released by the Association of Cotton Textile Merchants of New York. During these two months unfilled orders have decreased 42 per cent and stocks on hand increased 26 per cent.

Total consumption of raw cotton in domestic mills during April amounted to about 367,000 running bales, a decrease of 121,000 bales or 25 per cent compared with March and was 142,000 bales or 28 per cent less than in April 1931. This brings the total consumption for the nine months this season to 3,937,000 bales which is still slightly more than in the same period in 1930-31. The decrease in consumption from March to April was one of the greatest contractions for a similar period on record and represents a serious effort to bring output in line with sales.

Great Britain

In Great Britain there have been several labor disputes during recent weeks and while these have not been particularly significant, it is said to have created some uncertainty in the situation and to have influenced prospective buyers to postpone their purchases. The decline in cotton prices is also said to have caused hesitancy among the buyers, some feeling that lower textile prices might result. Cotton consumption in Great Britain has been above last year for many months, and, although it is reported to have shown a declining tendency recently, it is still higher than a year ago and larger proportions of American cotton are being used than at that time.

Cotton piece goods exports in April, while slightly smaller than in March, were considerably larger than in April 1931. For the season to the end of April cotton piece goods exports from Great Britain totaled about 11 per cent larger than during the same period last season.

Continental Europe 1/

The continental cotton textile situation was influenced unfavorably throughout April by the downward tendency in the American raw material market, which set in in the latter half of March. Practically all branches of the industry continued to reflect in smaller business the lack of confidence which has long been an unsettling factor, although mill activity does not appear to have shown much change during the month. It remains most obvious that the critical situation of business and finance, as well as the shadow of political uncertainty, are largely governing sentiment

1/ Based on a report from Agricultural Attache L. V. Steere at Berlin, dated May 4, 1932, supplemented by cable May 14.

and actual developments in the cotton textile situation, and the cotton industry in both the trade and manufacturing branches seems to hold little hope for substantial improvement in the continental cotton market as long as these basic problems remain unsettled or no substantial progress towards settlement is evident.

April reports from textile centers in practically all continental countries indicate some decline in yarn and cloth sales, although scattered seasonal revival was not entirely lacking. The decline in new business, as compared with sales in March, was most pronounced in western Europe, where purchases of cotton yarn and fabrics were much influenced by political considerations, notably the French elections and the international conferences at Geneva. Italy also experienced some decline in bookings of yarn and cotton goods, notwithstanding extremely narrow margins quoted by both spinners and weavers. Central European reports were also unfavorable, with quite general indications that the usual April seasonal pick-up in business was entirely lacking this year.

Increasing difficulties in obtaining foreign exchange for imports of raw cotton were evident in several European countries. There is some possibility that mill activity may be somewhat affected in some countries if this situation persists, although operations on the Continent throughout April have not been influenced by this factor, and are generally little changed as compared with March, despite the less satisfactory development of new orders. The revival of business registered the first half of March has helped considerably to maintain current operations in face of somewhat reduced new sales, but this reserve of orders is small.

Continental spinner buying of raw cotton was very limited for April as a whole, as a result of the rather steady decline in the value of raw material. Considerable uncertainty was also injected into the raw market by the continued reports of probable sales by the Federal Farm Board. Later, as the month advanced, some recovery of confidence became evident as trade observers again became convinced of the extremely low level of current cotton values, coupled with the feeling that this year's crop in the United States will not be a large one. As the month closed, the continental trade observers are said to have felt that small fertilizer sales and considerable boll weevil emergence are not likely to be conducive to a yield anywhere near the large yield last year.

During the second half of April price-fixing again assumed considerable importance, especially among central European spinners, though French and Italian spinners remained conservative in this respect.

Germany

The cotton textile situation in Germany showed no improvement in April although the levels of activity, both for spinning and weaving branches, were being well maintained on the whole, and at a rate above that prevailing a year ago.

The full report of the Spinners' Association for March indicated a definite slackening in sales of cotton yarn, as well as unsatisfactory calling of old contracts. The hopes that had been held for a revival of spring business did not materialize, with industrial and trade observers attributing the continued reluctance of buyers to the uncertainty in the

political and general economic situation. The declining tendency of raw cotton prices also contributed to the undermining of confidence and the general absence of purchases of yarn for delivery in later months. The number of bankruptcies and receiverships in the spinning branch has again increased, and growing difficulty in the obtaining of foreign exchange was reported both for purchases of raw cotton and for the covering of reimbursement drafts.

The report of the German Weavers' Association for the month of March likewise indicated that the position of the industry continued unsatisfactory on the whole, with seasonal improvement in business being maintained in but few mill districts. Clothmakers, as well as spinners, have evidenced growing dissatisfaction with margins, which have narrowed sharply since the autumn of 1931. Spinners reported margins in March about 20 per cent below those obtainable in October, and in the weaving branch the decline amounts to about 15 per cent, notwithstanding wage reductions and the recession in prices of raw material. German weavers complained particularly of the decline in export business, in which the development in Scandinavia of a sentiment favoring the boycott of German goods because of advances in the German butter tariff has played an important part.

The April report of the spinning industry states that there was no revival in business and the weaving industry reported pronounced reluctance on the part of buyers with scattered reductions in weaving mill activity. But as to operating levels in the industry at the end of April it should again be emphasized that the rate of activity was comparatively satisfactory, and has been averaging above last year steadily since the beginning of the current season. This fact would seem to indicate that the present position of the cotton textile industry in Germany is basically sound, in other words, that production is in line with consumption, and various observers hold the view that real improvement may easily take place when some stimulus is offered. Progress towards settlement of some of the present political and financial problems now weighing on the business situation would doubtless have a most beneficial effect.

With the exception of a brief period during the middle of April, German spinner buying of cotton in Bremen was quite restricted for several weeks prior to the first of May. The relative highness of the "basis" has been the object of particular complaint. On the other hand, the lowness of futures quotations has led to considerable price fixing. New purchases by spinners have been restricted largely to near positions, in line with the continued observance of a policy of hand-to-mouth buying.

Czechoslovakia

The cotton mill situation in Czechoslovakia appears to be growing steadily worse. Spinners complain of extremely small sales and very unsatisfactory prices. Around the middle of April only two-thirds of the spindles were working, and most of these on part time to a large extent. The number of workmen employed in the spinning industry has dropped from 25,000 at the end of February, 1931, to about 22,000 at the present time.

The weaving mills also indicated that sales were very small and confined strictly to the domestic market; export sales of finished goods have almost ceased. Such a trend of developments makes the outlook very unsatisfactory for Czechoslovakia, because its weaving mills depend to such a large extent on exports. The industry reports that further reduction in working time or

the closing-down of many factories will be unavoidable. The precarious economic situation in Austria constitutes an especially large obstacle in the way of an improvement in Czechoslovakian exports of cotton goods, and Austria is now reported on the point of issuing an order which will prohibit the importation of many important articles, among them some types of cotton cloth. Difficulties also continue in exports to Germany, England and the Scandinavian markets, where either currency restrictions exist or the gold standard has been abandoned, and early improvement seems doubtful.

Austria

The cotton mill situation in Austria continues one of depression, with conditions further aggravated by the recently tightened restrictions on the procurement of foreign exchange for raw cotton purchases. It is indicated that several spinners probably have to restrict further the activity of their mills, if the Central Bank policy on foreign currency is not relaxed for raw cotton. This situation explains Austria's interest in the importation of raw cotton on a foreign credit basis, in which the first step has been taken by negotiations with the Egyptian Government.

France

March reports from France gave some ground for belief that a turning point in the French cotton situation had been reached, but these hopes were dampened during April by the extremely unsatisfactory development of new business in yarn and cloth. Early in the month there was still a moderate flow of new sales to spinning and weaving mills in all of the important centers, but later the situation became very quiet, and the attitude of buyers has remained one of great reluctance up to the end of the month. Nevertheless, a revival of buying on the scale of the early March activity during the weeks immediately ahead could easily restore the French cotton mill position to a much better level than prevailed toward the end of 1951. As there are still orders on hand from the increased bookings during March, occupation was not curtailed in April, but, on the contrary, was maintained at the somewhat increased level reached in March.

It has been pointed out repeatedly of late in French trade circles that an important feature of the present mill situation is that almost the entire cotton yarn and cotton cloth business now depends on the domestic market, whereas formerly exports played a significant role. This change is in line with the current tendency of world trade, and with recent developments in French foreign trade policy, which have brought retaliatory or parallel measures in other countries. The imposition in France in March of import contingents on cotton goods, among other products, was clearly an effort to compensate for the loss of export outlets for cotton goods.

French spinner buying of raw cotton remained very restricted throughout the month of April, buying initiative having been unfavorably affected in part by the decline in raw cotton prices. French spinners also observed a very cautious attitude pending the outcome of the elections, as well as possible developments at the Geneva conference. It was further reported that buying of spot cotton at Havre, instead of buying on a shipment basis, has assumed larger proportions in recent weeks, because of the unsatisfactory qualities tendered recently against purchases on shipment. April price-fixing was small.

Belgium

About the middle of May activity in the Belgian cotton spinning industry was reported as being very low. The weaving mills were reducing operations and business was described as being difficult.

Italy

The very slow but steady underlying improvement long evident in Italian cotton textile conditions came to a standstill during April. Severe competition and price-cutting is evident for yarns and cloth orders, so that margins continued very narrow and not encouraging for expansion of activity. Incoming orders for yarn, however, continued slightly above production, thus reducing unsold stocks which were about 30 per cent below those of the same date last year or about on 1929 levels. Spinning and weaving mill activity has been sustained in recent weeks, but a slight lull is evident since the end of February. Raw cotton imports in recent months have been above those of last year, but the total since the first of the season is approximately at last year's level.

Spinner purchases of raw cotton in April remained limited, both for c.i.f. and spot cotton. The raw material policy of the industry apparently remains cautious.

Russia

March production of finished cotton goods in Russia amounted to 239,498,000 yards, which is an increase of 7 per cent over the preceding month, but only 89.9 per cent of the monthly plan. Production of yarn was slightly more in line with the plan, total yarn output in March amounting to 64,509,000 pounds, or 91.7 per cent of the program.

Recently published results for the first quarter of the current year (January-March) indicate that total output of finished goods amounted to 682,905,000 yards, which although 8 per cent above the same time last year, is 91.2 per cent of the plan for that period. As a result of this non-execution of the production plan, about 65,616,000 yards less of cotton fabrics have been put out by Russian cloth mills. In the case of yarn, a somewhat better execution of the quarterly plan is evident, with total production for the quarter amounting to 93.9 per cent of the plan. The production of yarn was reported as 19.8 per cent above the corresponding period in 1931. This disproportion between yarn and cotton fabrics' production continues to cause complaint in the Soviet press. Unsatisfactory quality of the goods produced is also complained of, the percentage of rejected goods being reported almost double that anticipated, and also showing a tendency to increase. Considerable turnover of workers and lack of adequate technical superintendence are held responsible for these results.

Japan

During March yarn production in Japan amounted to about 232,000 bales or about 92,800,000 pounds, which was about the same as that for February, according to a report received from Consul Donovan at Kobe. The levels of production during these two months were the highest for about two years. In considering these high rates of cotton consumption it is important to remember that unusually large proportions of American cotton are being used.

The same report states that exports of cloth from Japan in March totaled 148 million square yards, which was an increase of 40 million square yards or 37 per cent over February, and compares with 89 million in January and 76 million in December. The March exports of cloth were the largest since the middle of the 1929-30 season. This marked increase in exports seems to reflect an easing up of the Chinese boycott and perhaps also the increased ability of the Japanese to meet foreign competition abroad.

China

Activity in Chinese cotton mills at Shanghai around the middle of May was about ninety per cent of normal, according to a cable from Agricultural Commissioner Dawson at Shanghai. Japanese mills were open and activity about sixty per cent of normal, whereas, a few weeks previous the Japanese mills were almost completely idle. Chinese labor was reported as available to meet the demand of the Japanese mills which were expected to increase activity to eighty or ninety per cent by next month if yarn prices continue good following the recent improvement.

Arrivals of Chinese cotton have been averaging only 3,000 to 4,000 bales a week and prices compare favorably with other cotton but demand has been weak. Buying of foreign cotton has also been light. Small purchases of Indian have been made following price declines but no buying of importance is expected before August.

Stocks of American cotton at Shanghai were said to be heavy, and, with activity of mills below normal, there has been little interest in buying forward. The present low silver exchange is also a factor. Supplies were sufficient for some weeks but should prices go lower or exchange materially improve there will be some buying for distant delivery. Japanese mills will need to buy more cotton later but will probably get it from Japan where stocks are heavy.

The yarn market from the middle of April to May 14, except for the last few days, was very dull due to restricted credit and lack of confidence in prevailing prices. In certain sections political disturbances also accentuated the feeling of uncertainty toward further commitments. Toward the middle of May a drop in yarn prices and some improvement in the general situation induced buying. Business during the past few days of the period was good and yarn stocks which were getting heavy were reduced.

There was some improvement in demand from outports but part of the up-country business was turned down due to the inability of merchants to pay cash. Native banks have withdrawn restrictions on negotiability of native orders but are unwilling to grant credit except with strong guarantees. The tight money situation will probably continue until after China's New Year settlement on June 5.

The piece goods market was reported as dull with no new business and market prices were below replacement costs. The Shanghai cotton and yarn exchange was opened on May 2 after having been closed for three months. The yarn standards have been changed, yarn now being based on 20s instead of 16s. The new standard for cotton is "Chengchow fine staple" which is suitable for 20s is valued somewhat higher than the old Hankow type so-called "Shensi".

Production, Acreage and Crop Condition

United States

The final estimate of the 1931 domestic cotton crop has recently been released, which placed the crop at 17,096,000 bales of 478 pounds net or 500 pounds gross. This compares with a production the year before of 13,932,000 bales and was second only to the record crop of (17,977,000) bales in 1926. The following are the comments of the Crop Reporting Board which accompanied the cotton report on May 20 together with a table showing the final estimates:

"The Crop Reporting Board, in revising statistics of acreage, yield and production of the 1921 cotton crop, estimates the area in cultivation in the United States on July 1, 1931 to have been 41,189,000 acres; the area harvested, 40,693,000 acres; and the yield of lint cotton to have been 201.2 pounds per harvested acre. The report of the Bureau of the Census, published on May 17 placed final ginnings for the 1931 crop at 17,095,594 equivalent 500-pound bales.

"The acreage and yield estimates for the United States are each about one-half of one per cent above the preliminary estimates made last December, an adjustment of one per cent in total production being necessary to make the estimate conform with the total quantity ginned. The yield per acre of 201.2 pounds is the highest realized since 1914 when the yield was 209.2 pounds.

"Forecasts of cotton production made by the Crop Reporting Board during the 1931 season and comparisons with final production were as follows: August 1, 15,584,000 bales, 8.8 per cent below; September 1, 15,685,000 bales, 8.3 per cent below; October 1, 16,284,000, 4.7 per cent below; November 1, 16,903,000, 1.1 per cent below; and December 1, 16,918,000, 1.0 per cent below. Each forecast made during the season showed improvement in crop prospects over the preceding forecast, as the 1931 season was extraordinarily favorable for the production and harvest of cotton from spring until late fall. The forecasts are necessarily based upon indications at the time the reports are prepared and upon the assumption that weather conditions after that time will be about average".

Table 1.-Cotton: Revised estimates of the crop of 1931, by States

State	Area in cultivation July 1, 1931	Area picked 1931	Yield of lint cotton picked per acre 1931	Production 1931 1/	Ginnings 1931 crop as reported by census, May 17, 1932
	Acres	Acres	Pounds	Bales (500 lbs. gross)	Bales (500 lbs. gross)
Virginia	71,000	70,000	289	42,000	42,423
North Carolina ..	1,342,000	1,333,000	271	756,000	756,294
South Carolina ..	1,970,000	1,960,000	245	1,005,000	1,004,730
Georgia	3,452,000	3,431,000	194	1,393,000	1,392,665
Florida	120,000	118,000	175	43,000	43,164
Missouri	350,000	348,000	397	289,000	288,991
Tennessee	1,119,000	1,115,000	255	594,000	594,512
Alabama	3,421,000	3,397,000	200	1,420,000	1,419,689
Mississippi	4,069,000	4,032,000	209	1,761,000	1,761,203
Louisiana	1,968,000	1,958,000	220	900,000	899,922
Texas	15,769,000	15,469,000	165	5,320,000	5,322,453
Oklahoma	3,429,000	3,395,000	178	1,261,000	1,261,123
Arkansas	3,602,000	3,566,000	256	1,907,000	1,906,736
New Mexico	119,000	117,000	412	101,000	98,124
Arizona 2/	178,000	176,000	313	115,000	115,061
California	194,000	192,000	440	177,000	176,560
All other	16,000	16,000	363	12,000	11,944
U.S. total	41,189,000	40,693,000	201.2	17,096,000	17,095,594
Lower Calif. (Old Mexico) 3/	69,000	69,000	182	26,000	4/ 26,250

1/ Bales rounded to thousands, allowances made for interstate movement of seed cotton for ginning and added for U. S. total.

2/ Including Pima long staple, 30,000 acres, yield 225 lbs. per acre, production 14,000 bales.

3/ Not included in California figures, nor in United States total.

4/ Ginnings 26,112 running bales, as enumerated by California Cooperative Crop Reporting Service.

The following report on reduction in yields from stated causes was also released with the cotton report:

"Reductions from full yield of cotton during the favorable season of 1931 were much less than usual for each of the various causes considered. The total reduction from various causes is reported to have been only 27.8 per cent of a normal or full crop, based upon an inquiry to cotton reporters on this subject. In 1930 the reported reduction was 47.1 per cent; in 1929, 43.8 per cent; and in 1928 36.4 per cent.

"Deficient moisture, or drought was responsible for only 8.3 per cent reduction in yield, compared with 27.7 per cent in 1930 and 10.8 per cent in 1929. Damage attributed to excessive moisture was 2.6 per cent, compared with 2.8 per cent in 1930 and 7.2 per cent in 1929.

"Boll weevil damage in 1931, while somewhat greater than in 1930, was less than average and relatively unimportant. Loss from this cause was reported at 8.3 per cent, compared with 5.0 per cent in 1930, 13.3 per cent in 1929 and 14.1 per cent in 1928.

"Other climatic" causes, including floods, frost, heat and hot winds, contributed 3.5 per cent to the loss in 1931, against 6.3 per cent in 1930 and 6.0 per cent in 1929. Plant diseases are reported to have caused losses of about 2.0 per cent, which is about the same as in each of the last three years. Loss due to insects other than boll weevil was reported at 1.8 per cent, which is the lowest percentage attributed to this cause in recent years.

"This statement on losses is based upon reports of correspondents made in February, on a general crop damage inquiry in which the correspondents were asked to report the per cent of a normal yield per acre of cotton harvested the preceding year, the per cent of loss in yield, and to distribute the loss to stated causes. The resulting indicated percentages represent the consolidated judgment of the crop reporters and are useful as a rough index of relative losses from the stated causes."

Details by States follow:

Table 2.-Cotton: Reduction from full yield per acre from stated causes 1929-1931

State	Deficient moisture			Excessive moisture			Other climatic			Plant diseases			Boll weevil			Other insects		
	1929	1930	1931	1929	1930	1931	1929	1930	1931	1929	1930	1931	1929	1930	1931	1929	1930	1931
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Va.	7	36	6	4	0	0	2	5	1	3	0	1	4	3	0	0	1	2
N. C. ..	1	13	5	15	1	1	4	3	2	2	2	2	21	17	8	1	1	3
S. C. ..	3	10	7	11	1	1	7	4	3	2	2	2	18	13	8	1	1	1
Ga.	4	12	16	8	1	0	7	5	4	2	2	1	15	7	7	1	1	1
Fla. ...	0	5	14	9	0	0	10	2	1	1	0	1	14	14	10	2	0	1
Mo.	8	33	6	7	0	2	9	16	2	1	1	2	0	0	0	5	3	1
Tenn. ..	6	37	8	6	1	1	5	7	2	3	1	1	2	1	2	1	1	1
Ala. ...	6	22	8	7	1	1	4	4	2	3	2	2	14	4	8	1	1	1
Miss. ..	3	31	2	7	1	8	3	4	4	2	2	2	16	3	15	1	1	1
La.	8	33	9	6	3	3	5	7	3	2	1	2	17	3	11	1	1	1
Tex. ...	16	28	9	7	4	3	7	6	4	3	2	3	13	4	9	5	3	3
Okla. ..	18	36	15	5	2	1	8	10	6	1	1	1	11	3	6	2	2	1
Ark. ...	18	49	3	3	1	2	6	12	2	1	1	1	6	2	3	1	2	1
Average of 13 States	10.8	27.7	8.3	7.2	2.8	2.6	6.0	6.3	3.5	2.3	1.7	2.0	13.3	5.0	8.3	2.5	1.9	1.8

The planting of the 1932 domestic crop is progressing fairly satisfactorily in most sections of the Belt, weather conditions on the whole having been about normal. Fertilizer tag sales from December through April this season have been about 40 per cent less than during the same period last season, almost 60 per cent less than in 1929-30 and much lower than during any similar period for more than a decade. In April there was a considerable increase in sales, whereas, ordinarily there is a decrease from March to April.

World cotton production and acreage in 1931-32 with comparisons

From the latest information received on the 1931-32 cotton crop in foreign countries the preliminary estimate of production in all foreign countries is now placed at 10,404,000 bales of 478 pounds. This compares with an estimated foreign production of 11,868,000 bales during 1930-31 and 11,672,000 bales in 1929-30, and was the smallest since 1926-27. The large domestic crop, however, gives a world production of about 27,500,000 bales, or an increase of 1,700,000 bales over 1930-31, and was 1,000,000 larger than 1929-30 and the largest since 1926-27, when the total world production was about 28,400,000 bales. The principal foreign countries showing decreased production this season were India, China, and Egypt. In India alone there was a decrease of 971,000 bales, in China about 450,000 bales and in Egypt 429,000. Russia on the other hand increased her production by something like 311,000 bales. In India and China the decreased production was largely the result of reduced yields, although some decrease in acreage was reported. In Egypt there was a large acreage decrease and a slight decrease in yields. The low yields in China resulted from the damages done by floods.

The increased production which took place in Brazil and the Anglo-Egyptian Sudan resulted from a return to more normal yields. The yields in the Sudan in 1930-31 were unusually low due to serious damages from two diseases known as "Leaf Curl" and "Black Arm" whereas a severe drought in some of the principal cotton producing States materially reduced the average yield per acre in Brazil. The increased production in Russia resulted from an increase in acreage, the yield per acre showing a decrease compared with 1930-31. Reports from Russia early in the season stated that the crop would be 700,000 or more bales larger than this Bureau estimated, but at present Russian estimates are very close to ours. The reduced Russian yields this season have resulted from the expansion of production into new regions most of which are not irrigated. In 1930-31 Russian acreage increased about 50 per cent and production increased almost 25 per cent. This season the acreage increased 37 per cent and production 23 per cent. As a result of these decreasing yields the Russian officials are said to have planned for an acreage increase in 1932-33 of only 13 or 14 per cent with greater efforts to be made in improving the yields and quality.

The 1932-33 Russian crop

Spring was reported early this year in the chief cotton growing regions of Russia, and field work could be started about 15 or 16 days earlier than usual. Planting of cotton started during the first days of April, but on April 20 plantings amounted to only 184,000 acres, or 3 per cent of the plan which has apparently been revised upward to 6,076,000 acres from the 6,022,000 acres reported previously. This plan if fulfilled would mean an increase of about 13.7 per cent over the latest acreage figure we have for 1931-32.

Table 5.-Cotton: Acreage and production in countries reporting for 1931-32, with comparisons

Item and country	1928-29	1929-30	1930-31	1931-32	Percentage 1931-32 is of 1930-31
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
ACREAGE					
United States	45,341	45,790	45,091	40,693	90.2
India	27,053	25,922	23,812	23,522	98.8
Russia	2,400	2,608	3,211	5,346	166.7
China 1/	4,847	5,133	5,228	5,078	97.1
Egypt	1,805	1,911	2,162	1,747	80.8
Uganda	699	663	740	876	118.4
Chosen	503	456	473	461	97.5
Anglo-Egyptian Sudan	315	369	387	356	92.0
Mexico	502	492	390	319	81.8
Syria and Lebanon	19	60	60	76	126.7
Italian Somaliland	20	27	19	15	78.9
Bulgaria	13	14	13	13	100.0
Eritrea	6	3	7	7	100.0
Algeria	12	14	10	3	30.0
Total above countries	83,535	83,468	82,503	78,512	
Estimated total foreign countries	42,059	41,907	41,709	42,007	
Estimated world total	87,400	87,700	86,800	82,700	
PRODUCTION	1,000 bales 478 lbs.net	1,000 bales 478 lbs.net	1,000 bales 478 lbs.net	1,000 bales 478 lbs.net	Per cent
United States	14,478	14,828	13,932	17,096	122.7
India	4,638	4,289	4,372	3,401	77.8
Russia	1,174	1,279	1,589	1,900	122.6
China 1/	2,463	2,113	2,250	1,800	80.0
Egypt	1,672	1,763	1,715	1,286	75.0
Brazil	525	584	460	570	123.9
Mexico	278	246	178	207	116.3
Anglo-Egyptian Sudan	142	139	106	2/ 199	187.7
Uganda	171	103	156	170	109.0
Chosen	150	139	154	136	88.3
Syria and Lebanon	4	14	12	17	141.7
Tanganyika	28	23	19	12	63.2
Australia	5	8	10	10	100.0
Colombia	10	10	10	9	90.0
Bulgaria	3	4	4	5	125.0
French Equatorial Africa	1	3	7	5	71.4
Italian Somaliland	7	8	3	5	166.7
Union of South Africa	8	14	7	3	42.9
Southern Rhodesia	-	1	2	2	100.0
Total above countries	25,960	25,561	24,986	26,833	
Estimated total foreign countries	12,422	11,672	11,868	10,404	
Est. world total	26,900	26,500	25,900	27,500	

Compiled by the Division of Statistical and Historical Research largely from data received through the Foreign Agricultural Service, including information received up to May 19.
Official sources and International Institute of Agriculture except as noted.
1/ Estimates of Chinese Mill owners' Association. 2/ Estimated as being between 194,000 and 204,000 bales.

While the total planting plan is supposed to have been completed by May 5 this year, a recent report stated that only 3,395,000 acres or 56 per cent of the planned area had been planted. Up to May 5 last year plantings were reported to have amounted to about 2,204,000 acres or 39 per cent of the plan but were 41 per cent of the actual acreage planted.

Ploughing of the cotton fields is said to have progressed more favorably and well in advance of the plantings, yet it has been the object of some complaint. Anxiety is also expressed about loss of moisture in consequence of the lag in planting after the fields have been ploughed. The individual peasants, who still account for a significant share of the total cotton acreage, are reported as not receiving sufficient attention and help from local Government organizations; this, it is feared, will have an unfavorable influence on the completion of their sowing plans, since reports indicate that individual peasants are even more backward with their field work than the collectives.

China

Rather recent rains in China have been favorable to the planting of the new cotton crop both in the Yangtze Valley and in North China.

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